

EPA REGION 2 BRIEFING PAPER
US VIRGIN ISLANDS ENVIRONMENTAL AND PUBLIC HEALTH PRIORITY ISSUES

USVI BACKGROUND INFORMATION

USVI GOVERNOR ALBERT BRYAN:

not responsive

USVI FISCAL CHALLENGES AND INSOLVENCY:

not responsive

¹ Austin, D. Andrew (2018). Economic and Fiscal Conditions in the US Virgin Islands. Congressional Research Service. Internet: <https://fas.org/sgp/crs/row/R45235.pdf>. June 20, 2018 and US Government Accounting Office (2017). US Territories: Public Debt Outlook. GAO-18-160. Internet: <https://www.gao.gov/products/GAO-18-160>. October 2, 2017.

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USVI ENVIRONMENTAL AND PUBLIC HEALTH PRIORITY ISSUES

EPA Region 2 has been working with the Commissioner of the USVI Department of Planning and Natural Resources (VIDPNR), Jean-Pierre “JP” Oriol (who took office in January 2019), in the agency’s delegated responsibilities of protecting public health and the environment and providing support with the on-going disaster recovery efforts in response to the 2017 hurricanes. Below are some of the environmental and public health priority issues that have been discussed with VIDPNR Commissioner Oriol or have been highlighted in the USVI press, including:

1. VIDPNR High Risk Designation;
2. Solid Waste Management;
3. Limetree Bay Terminals and Limetree Bay Refining (Formerly HOVENSA, St. Croix);
4. USVI Waste Water Infrastructure and EPA Clean Water Act Construction Grants;
5. Tutu Wellfield Superfund Site;
6. Krum Bay, St. Thomas Subbase Oil Spill and WAPA Utility Vault Flashover Emergency Response;
7. USVI Ambient Air Monitoring Network;
8. USVI Disaster Response and Recovery Efforts; and
9. “Great Mangrove Cleanup” at St. Thomas East End Reserves.

1. VIDPNR HIGH RISK DESIGNATION

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2. SOLID WASTE MANAGEMENT

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3. LIMETREE BAY TERMINALS / LIMETREE BAY REFINING (FORMERLY HOVENSA, ST. CROIX)

From 1965 until 2015, Hess, HOVIC and then HOVENSA, a joint venture between Hess Oil Virgin Islands Corporation (HOVIC) and the national oil company of Venezuela, Petroleos de Venezuela, S.A., was permitted to operate a petroleum refinery and marine terminal on the island of St. Croix in the USVI. The facility's maximum design capacity was 545,000 barrels of crude oil per day.

Operations of the facility led to numerous violations of the Clean Air Act (CAA) and in June 2011, EPA and the USVI entered into a Federal District Court judicial consent decree (CD) with HOVENSA to remedy these violations.

In February 2012, HOVENSA idled all refinery and processing operations at the facility, but marine terminal operations including oil storage operations, continued until February 2015 and distribution of oil within the USVI from this facility continued until May 2015. HOVENSA filed for Chapter 11 bankruptcy on September 15, 2015, and its above ground assets were sold to Limetree Bay Terminals LLC (LBT) in January 2016. The USVI government still owns a portion of the land located within the refinery boundaries.

Since the passing of Hurricanes Irma and Maria in 2017, LBT has been engaged with EPA and other regulators to pursue restarting operations of the facility. Limetree is seeking regulatory approvals and modification of the previous CD (2011) in order to restart portions of the facility. With the reopening, LBT plans to:

- produce low sulfur fuel for maritime use that meets the MARPOL standards, which will be effective January 2020;
- construct a single-point mooring buoy to accommodate larger crude tankers;
- expand terminal storage (adding 10-15 million barrels storage capacity);
- potentially produce renewable biodiesel to comply with the Renewable Fuel Standards; and
- potentially restart additional units and potentially increase power generation at the facility.

Through its ongoing communications with EPA, Limetree advised that it anticipates restarting portions of the refinery operations by as early as August 1, 2019, rather than January 1, 2020. This anticipated restart date makes it all the more important that EPA and VIDPNR continue to give this matter a high priority and that there be effective, focused coordination between our two agencies. Several Clean Air Act matters requiring coordination between EPA and the VI are pending before the governments, including:

- Consent Decree modification negotiations.
- Refinery Sector Rule compliance extension requests submitted to both the VI and EPA.
- Limetree has submitted and intends to submit additional revisions to the facility's Title V permit renewal application.

- EPA and VIDPNR have been working together to revise a State Implementation Plan (SIP) rule to reflect a change that Limetree has made to the facility, which VIDPNR needs to process as a SIP revision.
- Limetree has requested that monitors used to conduct sulfur dioxide ambient air monitoring be removed. VIDPNR and EPA agree that monitoring requirements are needed and continue to discuss this with Limetree.
- EPA is reviewing Limetree submissions related to the Regional Haze FIP to determine if controls will be required for a Regional Haze SIP, which the VI will also need to process.

To be successful in the Consent Decree modification process EPA will need sustained focus by the USVI decision-makers over a very short period of time. EPA staff anticipate pushback from Limetree on several issues, making it even more important to ensure that the Government of the USVI and EPA are in alignment on their position prior to meeting with Limetree. The USVI and EPA have been in agreement on most of the positions taken in the CD modification discussions over the last several years.

Continued effective communication is essential to achieving a joint negotiating position and a settlement with Limetree as soon as practicable. EPA and VIDPNR need to continue to have focused calls in the near future about the open issues.

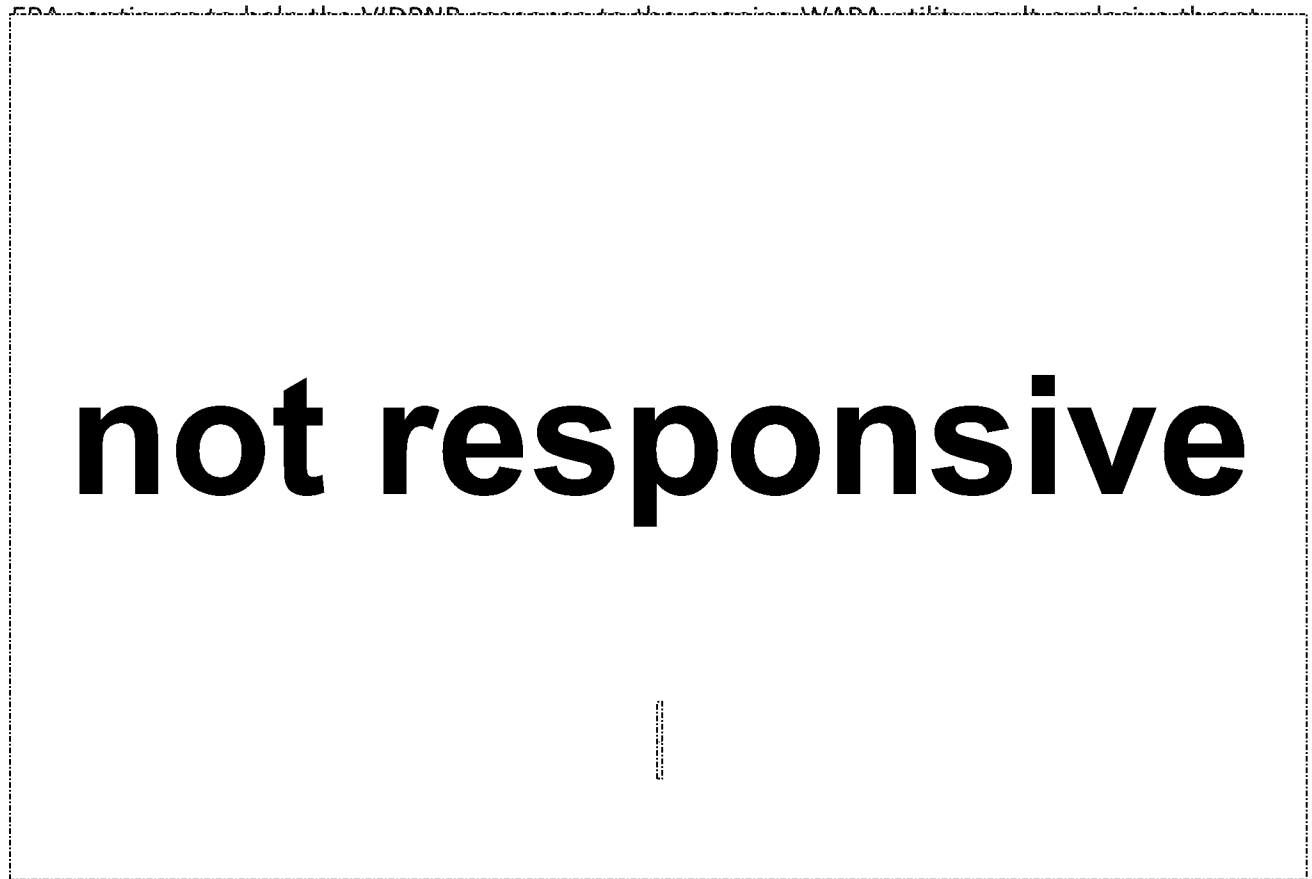
4. USVI WASTE WATER INFRASTRUCTURE AND CLEAN WATER ACT CONSTRUCTION GRANTS

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5. TUTU WELLFIELD SUPERFUND SITE

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6. KRUM BAY, ST. THOMAS, SUBBASE OIL SPILL AND WAPA UTILITY VAULT FLASHOVER
EMERGENCY RESPONSE



7. USVI AMBIENT AIR MONITORING NETWORK

VIDPNR operates two ambient air monitoring sites in the USVI. The sites are located on St. Croix and St. Thomas. Air monitors for particulate matter are at both locations.

The air monitoring network operated by VIDPNR is not meeting data completeness and data submission requirements. An audit performed by EPA found deficiencies in meeting data completeness requirements for 2017 even after taking into account the impacts of Hurricanes Irma and Maria. No valid air monitoring data was submitted for 2018. As a result of the recent audit, EPA has requested a new action plan to address the ongoing monitoring issues. A corrective action plan to address monitoring issues was previously submitted by VIDPNR to EPA in 2016. Issues that need to be addressed include routine maintenance of monitors, properly recording information, downloading data from monitors, and uploading data into EPA's Air Quality System.

EPA continues to reach out to VIDPNR to provide assistance in operating the monitoring sites. This includes providing technical assistance in upgrading the particulate matter monitors to state of the art equipment, additional training on data handling, and site visits in 2018. EPA is particularly focused on the monitoring site on St. Croix due to the potential restart of refinery operations at Limetree Bay. The St. Croix site is located in an area which could provide useful air quality information to local environmental justice (EJ) neighborhoods.

8. USVI DISASTER RESPONSE AND RECOVERY EFFORTS

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OTHER ITEMS OF INTEREST

not responsive

9. "GREAT MANGROVE CLEANUP" AT ST. THOMAS EAST END RESERVES

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